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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)
[X] Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the Quarterly Period Ended March 31, 1992

OR

[ ] Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the Transition Period From _____ to _____

Commission File Number 1-10185

DOCUCON, INCORPORATED
(Exact name of registrant as specified in its charter)

Delaware	74-2418590
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

9100 IH-10, West, Suite 100
San Antonio, Texas 78230
(Address of principal executive offices)
(Zip code)

PROCESSED BY
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(512) 593-0183
(Registrant's telephone number, including

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Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Sections 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No ___

The number of shares of Common Stock, $.01 par value outstanding as of April 30, 1992, is 9,391,387.

DOCUCON, INCORPORATED

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PART I - FINANCIAL INFORMATION

DOCUCON, INCORPORATED

CONSOLIDATED BALANCE SHEETS

ASSETS	March 31, 1992 (Unaudited)	December 31, 1991
CURRENT ASSETS:		
Cash and temporary cash investments	$ 504,063	$ 448,603
Accounts receivable, trade-		
U.S. Government	499,521	699,200
Commercial, net	212,755	103,610
Unbilled revenues	381,813	217,293
Other receivables, net	65,767	52,470
Prepaid expenses and other, net	240,317	120,345
Total current assets	1,904,236	1,641,521
PROPERTY AND EQUIPMENT:		
Conversion systems	2,084,980	2,624,826
Furniture, fixtures and leaseholds	247,384	220,156
	2,332,364	2,844,982
Less- Accumulated depreciation	1,029,517	1,587,376
Net property and equipment	1,302,847	1,257,606
Total assets	$3,207,083	$2,899,127

See Notes to Consolidated Financial Statements.

PART I - FINANCIAL INFORMATION

DOCUCON, INCORPORATED

CONSOLIDATED BALANCE SHEETS

LIABILITIES AND STOCKHOLDERS' EQUITY	March 31, 1992 (Unaudited)	December 31, 1991
CURRENT LIABILITIES:		
Accounts payable	$ 490,709	$ 335,000
Accrued liabilities	532,990	514,098
Current maturities of capital lease obligations	107,536	256,652
Deferred revenues	17,014	6,975
Due to related parties	7,613	7,613
Current liabilities excluding long-term capital lease obligations subject to acceleration	1,155,862	1,120,338
Principal portions of long-term capital lease obligations subject to acceleration	178,205	693,209
Total current liabilities	1,334,067	1,813,547
CAPITAL LEASE OBLIGATIONS, less current maturities	58,103	64,308
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' EQUITY:		
Preferred stock $1.00 par value, 30,000,000 shares authorized-		
Series A (11.0 percent cumulative and convertible), 60 shares authorized; 46 shares outstanding as of March 31, 1992, and December 31, 1991	46	46
Common stock, $.01 par value, 20,000,000 shares authorized; 9,391,387 shares issued and outstanding as of March 31, 1992, and 8,919,813 shares issued and outstanding as of December 31, 1991	93,914	89,198
Additional paid-in capital	7,818,260	7,386,054
Accumulated deficit	(6,097,307)	(6,454,026)
Total stockholders' equity	1,814,913	1,021,272
Total liabilities and stockholders' equity	$ 3,207,083	$ 2,899,127

See Notes to Consolidated Financial Statements.

DOCUCON, INCORPORATED

CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)

	Three Months Ended March 31	
	1992	1991
OPERATING REVENUES	$1,665,644	$ 696,996
COSTS AND EXPENSES:		
Production	918,400	520,661
Research and development	20,491	38,829
General and administrative	258,685	177,838
Marketing	205,083	105,412
Depreciation and amortization	178,860	168,497
	1,581,519	1,011,237
OPERATING INCOME (LOSS)	84,125	(314,241)
OTHER INCOME (EXPENSE):		
Interest expense, net	44,087	37,137
Gain on lease retirement	316,681	-
INCOME BEFORE INCOME TAXES AND EXTRAORDINARY ITEM	356,719	(351,378)
INCOME TAX EXPENSE	121,000	-
NET INCOME BEFORE EXTRAORDINARY ITEM	235,719	(351,378)
EXTRAORDINARY ITEM:		
Utilization of tax loss carryforward	121,000	-
NET INCOME	356,719	(351,378)
DIVIDENDS ON PREFERRED STOCK	31,625	31,625
NET INCOME AVAILABLE TO COMMON STOCKHOLDERS	$ 325,094	$ (383,003)
PRIMARY EARNINGS (LOSS) PER COMMON SHARE AND COMMON SHARE EQUIVALENTS:		
Income before extraordinary item	$.02	$(.05)
Extraordinary item, utilization of tax loss carryforward	.01	-
Total	$.03	$(.05)
WEIGHTED AVERAGE COMMON SHARES AND COMMON SHARE EQUIVALENTS	12,356,753	7,011,629

See Notes to Consolidated Financial Statements.

DOCUCON, INCORPORATED

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)

	Three Months Ended March 31	
	1992	1991
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	$ 356,719	$(351,378)
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities-		
Depreciation and amortization	178,860	168,497
Gain on lease retirement	(316,681)	-
Changes in current assets and current liabilities-		
(Increase) decrease in receivables	(87,283)	293,888
(Increase) decrease in prepaid expenses and other	(137,659)	12,616
Increase (decrease) in accounts payable and accrued liabilities	300,202	(32,254)
Increase in deferred revenues	10,039	43,890
Total adjustments	(52,522)	486,637
Net cash provided by operating activities	304,197	135,259
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	(393,008)	(26,808)
Sale of fixed assets	-	6,655
Redemption of short-term investments	-	145,985
Net cash provided (used) by investing activities	(393,008)	125,832
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal payments under capital lease obligations	(104,539)	(157,490)
Net proceeds from warrant conversion	196,760	-
Net proceeds from exercise of stock options	52,050	-
Net cash provided (used) by financing activities	144,271	(157,490)

DOCUCON, INCORPORATED

CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)

(Unaudited)

	Three Months Ended March 31	
	1992	1991
NET INCREASE IN CASH AND TEMPORARY CASH INVESTMENTS	$ 55,460	$ 103,601
CASH AND TEMPORARY CASH INVESTMENTS, beginning of period	448,603	25,178
CASH AND TEMPORARY CASH INVESTMENTS, end of period	$ 504,063	$ 128,779
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Cash paid during the period for interest	$ 2,938	$ 26,246

SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITIES:
In connection with the settlement of a capital lease obligation, the Company paid $100,000, issued 79,200 shares of common stock and 120,800 stock warrants and returned equipment with a net book value of approximately $188,000 in exchange for the settlement of approximately $815,000 of liabilities.

DISCLOSURE OF ACCOUNTING POLICY:
The Company considers funds invested in highly liquid investments having a maturity of 90 days or less to be temporary cash investments.

See Notes to Consolidated Financial Statements.

DOCUCON, INCORPORATED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1

The financial statements included herein have been prepared by Docucon, Incorporated and subsidiary (collectively referred to as the Company), without audit, pursuant to the rules and regulations of the Securities and Exchange Commission. However, all adjustments have been made which are, in the opinion of the Company, necessary for a fair presentation of the results of operations for the periods covered. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations, although the Company believes that the disclosures are adequate to make the information presented not misleading. In prior years, the Company was in the development stage as it had not generated significant revenues, and its efforts were devoted primarily to the development of its sales market, raising capital and desig. of its conversion equipment. It is recommended that these financial statements be read in conjunction with the financial statements and the notes thereto included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1991.

NOTE 2

Organization and description of the Company-

Docucon, Incorporated, was incorporated in June 1986 to engage in the business of providing technical services to its customers for the conversion of paper and microform documents to a computer accessible media. Paper or microform documents are scanned by sophisticated computer equipment and stored and indexed on optical disks or magnetic media.

NOTE 3

Summary of significant accounting policies-

Property and equipment-

Property and equipment are recorded at original cost or the present value of the capital lease payments for assets under capital lease arrangements. Maintenance and repairs are charged to expense as incurred and betterments which increase the value or extend the useful life of the property are capitalized.

Depreciation is provided using the straight-line method over the capital lease term of the related assets or over the useful lives for purchased assets. The Company's assets are currently depreciated over periods ranging from three to five years beginning in the month the property is placed in service.

Revenue recognition-

Revenues from conversion service contracts are recognized at the time services are provided and are based upon the number of documents converted and the conversion rates established in the contracts.

NOTE 4

Common stock and preferred stock-

In May 1989, the Company completed an initial public offering which resulted in the sale of 848,675 units. Each unit consisted of four shares of Common Stock, $.01 par value, of the Company and four Redeemable Class A Common Stock Purchase Warrants (Class A Warrants). The Class A Warrants were immediately separable from the Common Stock and immediately exercisable. Each Class A Warrant entitled the holder to purchase at any time prior to May 9, 1994, at a price of $1.00, one share of Common Stock and one Redeemable Class B Common Stock Purchase Warrant (Class B Warrant). Each Class B Warrant entitles the holder to purchase at any time after issuance and prior to May 9, 1994, at a price of $1.50, one share of Common Stock. The Class B Warrants may be redeemed by the Company at a price of $.05 per warrant at any time after one year from the date of the Prospectus on 30 days' prior written notice if the average closing bid price of the Common Stock during a period of 30 consecutive trading days ending within 15 days prior to the date on which notice of redemption is given is at least $2.25 per share.

In 1990, the Company issued 46 shares of Series A Preferred Stock at $25,000 per share resulting in net proceeds of approximately $659,000 and the forgiveness of approximately $325,000 of debt. Each share is convertible into 33,333 shares of Common Stock and earns cash dividends of 11 percent per annum. As of March 31, 1992, cumulative undeclared dividends on the Preferred Stock approximated $203,000.

In June 1991, the Company exercised its right to redeem the unexercised Class A Warrants for $.05 per warrant, and on October 14, 1991, the Company filed Post-Effective Amendment No. 2 to its Form S-1 which deregistered any unexercised or redeemed Class A Warrants and all the rights underlying them.

Prior to the Company's initial public offering, 1,800,000 shares of the Company's Common Stock were placed in escrow and were to be released if certain income levels or stock price levels were achieved. In August 1991, the owners of the escrow shares agreed to retire 75 percent (1,350,000) of those shares and amended the performance requirements for the remaining 25 percent (450,000 shares). The remaining shares were released from escrow as the Company attained net income in excess of $100,000 in the first quarter of 1992.

During the first three months of 1992, the Company received net proceeds of approximately $197,000 from Class B Warrantholders who converted their warrants into Common Stock. Additionally, subsequent to March 31, 1992, the Company received approximately $138,000 from the exercise of unit purchase options which were granted to investors for financing provided prior to the Company's initial public offering.

NOTE 5

Lease retirement-

The assignee and owner (Assignee) of approximately 73 percent of the capital lease agreement under which the Company has experienced an event of default delivered notice of acceleration and public sale to the original lessor on February 7, 1992, and completed foreclosure proceedings on the scheduled equipment.

On March 31, 1992, the Company entered into a settlement agreement with the Assignee. Pursuant to the terms of the settlement agreement, the Company paid the Assignee $100,000 and issued 79,200 shares of Common Stock and a warrant for the purchase of 120,800 shares of Common Stock at $2.50 per share.

The Company realized a gain of approximately $316,000 due to the forgiveness of capital lease indebtedness and accrued interest of approximately $668,000 and $146,000, respectively. The leased equipment had a net book value of approximately $188,000 at March 31, 1992.

The Company retained possession of the equipment and entered into a Remarketing Agreement with the Assignee, engaging the Company as Agent to market the equipment until July 31, 1992. The Company is to store, insure and maintain the equipment at its own expense and is to receive as compensation 3 percent of the first $50,000 in net proceeds and 5 percent of net proceeds exceeding $50,000.

DOCUCON, INCORPORATED

MANAGEMENT'S DISCUSSION AND ANALYSIS

OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS

The Company is in the business of providing technical services to its customers for the conversion of paper and microform documents to a computer accessible media. The Company has primarily devoted its efforts to the design, acquisition and integration of conversion equipment, application of that equipment to its customers' requirements, raising capital, planning and developing its sales market.

Because the Company's operations have developed and expanded since inception, the results of operations for the periods ended March 31, 1992 and 1991, vary significantly.

Revenue increased approximately 139 percent for the quarter ended March 31, 1992, as compared to the same period in 1991, primarily as a result of increased government work performed under the 1987 Navy Publishing and Printing Services (NPPS) contract and initial orders under the 1991 NPPS contract.

Production costs for the first quarter of 1992 increased approximately 76 percent compared to the same period of 1991. This increase in costs is related to the hiring of additional personnel to handle increased operations as well as start-up costs incurred under the Texaco Exploration and Production, Inc., contract. However, production costs represented a smaller percentage of revenues in the first quarter of 1992 as compared to the comparable period in 1991 as the Company has concentrated on the improvement of operating margins and focused its engineering efforts on production. Accordingly, research and development costs decreased for the three months ended March 31, 1992, as compared to the same period in 1991.

General and administrative expenses for the first quarter of 1992 increased as compared to the same period primarily as a result of increased travel expenses and salaries pursuant to a management bonus plan.

Marketing expenses increased for the first quarter of 1992 compared to the first quarter of 1991 due to increased marketing efforts and greater commission expenses resulting from increased revenues.

LIQUIDITY AND CAPITAL RESOURCES

Since its inception, the Company's operations have been supplemented through bank borrowings, capital contributions, borrowings from affiliated and unaffiliated lenders, capital lease agreements, an initial public offering of the Company's Common Stock on May 9, 1989, the conversion of warrants into Common Stock and preferred stock placements.

During the first three months of 1992, approximately 130,000 Class B Warrants were exercised resulting in proceeds of approximately $196,000. Subsequent to March 31, 1992, approximately $150,000 was received from the conversion of 100,000 Class B Warrants. Presently, all requirements enabling the Company to redeem its outstanding Class B Warrants have been achieved. Additionally, as of May 11, the Company had received $138,000 in proceeds from the exercise of unit purchase options which were issued to interim lenders pursuant to the Company's initial public offering.

As described in Note 5 of "Notes to Consolidated Financial Statements," contained elsewhere in this report, the Company was in default on a capital lease obligation having an outstanding balance of $936,575 at December 31, 1991. The assignee of a 73 percent interest in such capital lease (the assignee) delivered notice of acceleration of such obligation on February 7, 1992, and foreclosed on the equipment. On March 31, 1992, the Company entered into a settlement agreement with the assignee, pursuant to which the Company paid the assignee $100,000 and issued to the assignee 79,200 shares of Common Stock and a warrant to purchase 120,800 shares of Common Stock at $2.50 per share. The Company realized a gain of approximately $316,000 in connection with this transaction, including forgiveness of capital lease indebtedness and accrued interest of approximately $667,000 and $146,000, respectively.

Under the settlement agreement, the Company retained possession of the equipment and entered into a remarketing agreement with the assignee, pursuant to which the assignee engaged the Company to market the equipment until July 31, 1992. Under the remarketing agreement, the Company is to store, insure and maintain the equipment at its own expense and is to receive as compensation 3 percent of the first $50,000 in net proceeds from sale of the equipment and 5 percent of all net proceeds in excess of $50,000.

On May 9, 1991, the Company received notice of award of the 1991 NPPS contract. The award enables Docucon to provide up to $12.3 million of conversion services as directed by NPPS. This new contract gives the Company a reasonable expectation, but no assurance, of receiving orders for conversion services from DOD until May 1994. In addition, the 1991 NPPS contract gives the Company the opportunity to develop its Standardized General Markup Language (SGML) capability. The Company expects to devote significant marketing and engineering efforts to SGML work in the future.

During the first quarter of 1992, the Company established its conversion center in New Orleans for Texaco Exploration and Production, Inc. This was a significant milestone toward the realization of the revenue and profit benefits of this $4 million contract.

The Company has also made progress with its strategic marketing partnership with a major reprographics company. While this relationship has not been contractually established, significant co-marketing activity has occurred. Senior management of the Company is also devoting substantial efforts to develop additional strategic relationships to assist the Company in expanding its marketing and technology bases. The Company is hopeful that one or more such strategic alliances will be announced during 1992. In addition, the Company has added direct sales capability in the southeast.

The Company expects to fund the operations and marketing activities described above through utilization of cash on hand and cash generated from operations in 1992. While the Company may consider and evaluate, from time to time, acquisitions and opportunities for future growth, the Company has not entered into any agreements with respect to future acquisitions. Should the Company enter into any such agreements, the Company would, in all likelihood, be required to raise outside capital to consummate such transactions.

Inflation in recent years has not had a significant effect on the Company's business and is not expected to adversely affect the Company in the future unless it increases significantly.

OUTLOOK

Now that the Company has attained several of the objectives outlined in prior reports, it is focusing on operating issues to improve margins and increase revenues, the most important of which are:

- Continuing improvement of the operating efficiency of the Texaco New Orleans conversion facility.
- Establishment of the Texaco Denver conversion facility.
- Achieving efficient operation of the SGML tagging conversion line.
- Continued development and expansion of the recently formed marketing relationship with a major firm which provides reprographic and other services to the legal market.
- Development of the recently opened Atlanta sales office.
- Introduction of the new litigation support software product.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

The Company, together with two of its employees, has been named in a lawsuit which alleges that the Company, through the employees, appropriated trade secrets of the plaintiff and that the Company induced the employees to leave the employ of the plaintiff. The lawsuit also alleges that the defendants conspired with each other and engaged in fraud with respect to the plaintiff. The plaintiff seeks to impress a constructive trust on all profits made by the Company from clients which the Company allegedly stole from the plaintiff. The plaintiff also seeks monetary damages in the amount of $1,000,000 and punitive damages in the amount of $5,000,000. The Company's management does not expect the outcome of this litigation to have a material adverse effect on the Company's financial position.

Item 2. Changes in Securities - None

Item 3. Defaults Upon Senior Securities - None

Item 4. Submission of Matters to a Vote of Security Holders

On May 7, 1992, the annual meeting of stockholders of Docucon, Incorporated, was held, at which time the actions described below were taken. References to "Common Stock equivalents" refer to the votes cast with respect to shares of the Corporation's Series A Convertible Preferred Stock, each of which votes as 33,333 shares of Common Stock.

1. The shares of the Common Stock and Common Stock equivalents were voted on the election referred to in Paragraph 3 above as follows:

	Number Voting	For	Withheld
Edward P. Gistaro	8,863,859	8,858,859	5,000
William K. Mackey	8,863,859	8,858,859	5,000
Allan H. Hobgood	8,863,859	8,858,859	5,000
Ralph Brown	8,863,859	8,858,859	5,000
Philip J. Romano	8,863,859	8,858,859	5,000
James J. Mulholland	8,863,859	8,858,859	5,000
William G. Moore, Jr.	8,863,859	8,858,859	5,000

2. The shares of the Common Stock and Common Stock equivalents were voted on the approval of the Amendment to the Certificate of Incorporation to increase the authorized Common Stock of the Corporation to 25,000,000 shares of Common Stock as follows:

Number Voting	For	Against	Abstain
8,868,559	8,767,237	79,432	21,890

3. The shares of the Common Stock and Common Stock equivalents were voted on the approval of the Amendment to the Certificate of Incorporation to decrease the authorized Preferred Stock of the Corporation to 10,000,000 shares of Preferred Stock as follows:

Number Voting	For	Against	Abstain
8,677,022	8,616,982	55,540	4,500

4. The shares of the Common Stock and Common Stock equivalents were voted on the approval of the Amendment to the 1988 Stock Option Plan of the Corporation to increase the number of shares of Common Stock covered thereby to 960,000 as follows:

Number Voting	For	Against	Abstain
8,681,222	8,521,049	151,023	9,150

5. The shares of Common Stock and Common Stock equivalents were voted on the approval of the 1991 Employees Non-Statutory Plan of the Corporation as follows:

Number Voting	For	Against	Abstain
8,743,123	8,535,283	194,840	13,000

6. The shares of the Common Stock and Common Stock equivalents were voted on the approval of the 1991 Stock Director Non-Statutory Option Plan of the Corporation as follows:

Number Voting	For	Against	Abstain
8,681,022	8,457,732	212,290	11,000

Item 5. Other Matters - None

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

Exhibit 11 - Computation of Earnings Per Share

(b) Reports on Form 8-K - None

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

DOCUCON, INCORPORATED
(Registrant)

By _____
Edward P. Cistaro,
Chief Executive Officer
and Principal Financial
Officer

By _____
Lori Turner,
Controller and Treasurer

Dated: May 14, 1992

DOCUCON, INCORPORATED

COMPUTATION OF EARNINGS PER SHARE

(Unaudited)

	Three Months Ended March 31	
	1992	1991(b)
COMPUTATION OF PRIMARY EARNINGS PER SHARE:		
Net income before extraordinary item	$ 235,719	$ N/A
Less- Preferred stock dividend requirements	(31,625)	
	204,094	
Increase in income as a result of the decreased interest expense and increased interest income upon assumed conversion of warrants and options	58,519	
Net income before extraordinary item	262,613	
Extraordinary item, tax loss carryforward	121,000	
Net income applicable to common stockholders used for computation	$ 383,613	
WEIGHTED AVERAGE NUMBER OF SHARES OF COMMON STOCK OUTSTANDING	8,786,694	
WEIGHTED AVERAGE INCREMENTAL SHARES OUTSTANDING UPON ASSUMED CONVERSION OF OPTIONS AND WARRANTS	3,570,059	
WEIGHTED AVERAGE COMMON SHARES AND COMMON SHARE EQUIVALENTS USED FOR COMPUTATION	12,356,753	
PRIMARY EARNINGS PER COMMON SHARE AND COMMON SHARE EQUIVALENT:		
Income before extraordinary item	$.02	
Extraordinary item, tax loss carryforward	.01	
Total	$.03	$ N/A

DOCUCON, INCORPORATED

COMPUTATION OF EARNINGS PER SHARE (Continued)

(Unaudited)

	Three Months Ended March 31	
	1992	1991(b)
COMPUTATION OF FULLY DILUTED EARNINGS PER SHARE:		
Net income before extraordinary item	$ 235,719	$ N/A
Preferred stock dividend requirements	(31,625)	
Increase in net income applicable to common stock for-		
Preferred stock dividends not incurred upon assumed conversion of preferred stock	31,625	
Increase in income as a result of the decreased interest expense and increased interest income upon assumed conversion of warrants and options	58,519	
Net income before extraordinary item	294,238	
Extraordinary item, tax loss carryforward	121,000	
Net income applicable to common stockholders used for computation	$ 415,238	
WEIGHTED AVERAGE NUMBER OF SHARES OF COMMON STOCK OUTSTANDING	8,786,694	
WEIGHTED AVERAGE INCREMENTAL SHARES OUTSTANDING UPON ASSUMED CONVERSION OF OPTIONS AND WARRANTS	3,570,059	
WEIGHTED AVERAGE INCREMENTAL SHARES OUTSTANDING UPON ASSUMED CONVERSION OF THE PREFERRED STOCK	1,533,318	
WEIGHTED AVERAGE SHARES USED FOR COMPUTATION	13,890,071	
EARNINGS PER COMMON SHARE AND COMMON SHARE EQUIVALENT ASSUMING FULL DILUTION (a):		
Income before extraordinary item	$.02	
Extraordinary item, tax loss carryforward	.01	
Total	$.03	$ N/A

(a) This calculation is submitted in accordance with Paragraph 601(b)(11) of Regulation S-K although it is not required by APB Opinion No. 15 because it results in dilution of less than 3 percent.

(b) The calculation is not applicable to 1991 due to the losses incurred by the Company and the resultant antidilutive amounts.